

Most leaders expect state economy to improve

Short-term prospects for the state economy are good according to those responding to a Washington Research Council survey. Forty-eight percent of those responding to a survey of state leaders in March and April expect the condition of the state's economy to improve in the next six months (n = 830). About 38 percent expect the economic condition to stay about the same and only 14 percent expect the economic condition to worsen.

On a similar question, 84 percent of those responding expect that the state economy will be better than the national economy over the next six months (n = 831). Residents of metropolitan areas in western Washington were more optimistic than those from rural and eastern parts of the state.

More than 800 business, education and government leaders from across Washington state responded to the Re-

search Council's 1991 leadership survey — *Expectations and Priorities: a Survey of Washington Leadership*. The survey asked leaders about their expectations for the state economy and their

"Money is not necessarily the problem solver for education. We need to make major changes in a system that's unresponsive to the public need.... We need action, not just words. Education has to be held accountable for results."

Business Leader

organization, as well as what the top issues for the state and their local communities are over the next year.

Future Prospects Look Good

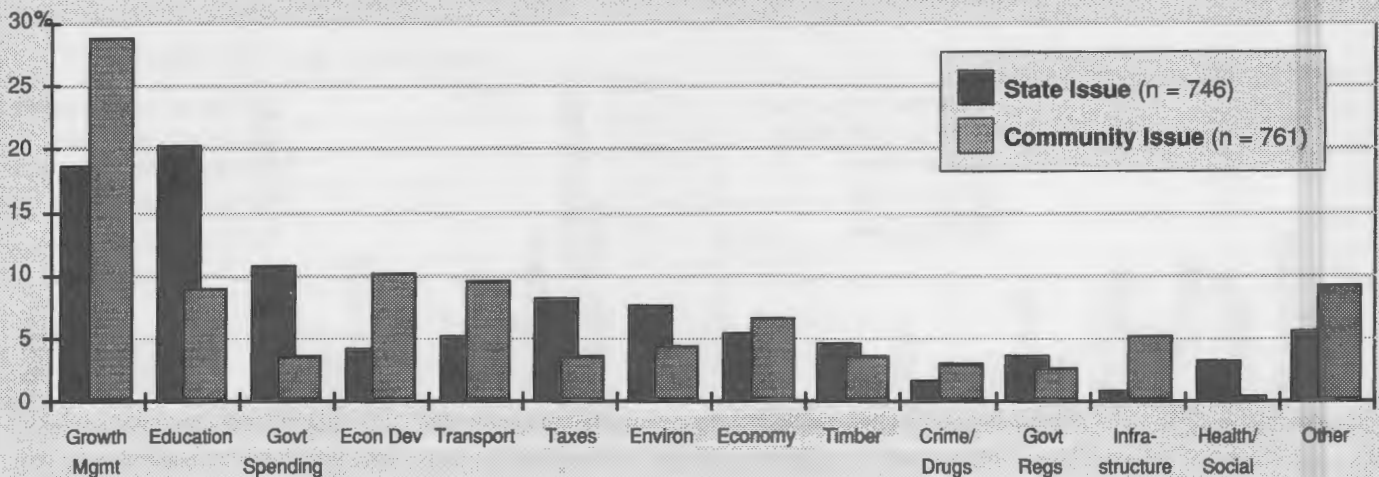
Business and government leaders are optimistic, although cautious, about the future prospects for their organizations

based on their responses to the survey. More than 70 percent anticipate an increase in spending for general operations over next year, with the greatest number of respondents (37 percent) foreseeing increases of between 0 and 4 percent (n = 825). About 70 percent expect that their income will increase over the next year (n = 830).

Respondents were more conservative about factors related to increasing the size of their organizations. About half of those responding expect no change in employment at their company or organization over the next six months, 37 percent anticipate increased employment and about 12 percent felt that employment would decrease (n = 830). In terms of spending on capital investments compared to the past year, 37 percent expect no change in the next year; 42 percent expect to increase capital investments; and 20 percent expect to spend less on capital projects over

Education, Growth Management Top List of State and Community Issues

Percent of Respondents Identifying Top Issue for Washington State and Their Local Community



Source: Washington Research Council Leadership Survey, 1991.

the course of the next year than they spent last year (n = 828).

Education, Growth Top List of State Issues

Education, including school funding, and growth management/land-use topped the list of state issues over the next 12 months with 20 percent and 19 percent, respectively, of those responding (n=746). Controlling government spending came in third at 11 percent. A variety of other issues were listed by respondents to this open-ended question (see figure on page 1).

There were differences regionally and between economic sectors in the issue identified as most important for Washington over the next year (see figure below). Timber issues, including restrictions on logging related to the spotted owl, were identified as the top state issue by 16 percent of the respondents from rural western Washington and government spending was listed by 20 percent of those from metropolitan counties in eastern Washington.

Government respondents were more concerned about growth management as a state issue than those in the private sector. It was listed as the top state issue by 34 percent of the government respondents and 14 percent of those outside of government.

The survey asked who is best suited to take leadership on the issue identified as the top one for the state — federal, state or local government, or private business (see figure on page 3). Who should take the lead on the top issue varied, depending on the issue. On growth management, for example, 29 percent thought state government should be in the lead (n=138), 44 per-

"It is the responsibility of state government to lead, to develop policy and vision on a regional basis. However, it must be a team effort, with local governments, business, industry and communities having participation and representation."

Education Leader

cent chose local government and 15 percent a combination. Most respondents (71 percent out of a total response of 148) felt that the state should take the lead on education. Government spending and spending control was seen as an issue where leadership should be provided either by state government (61 percent out of 80) or private business (18 percent).

Growth Management Tops Community Issues

Respondents were also asked to iden-

tify the top issue for their local community over the next year and who is best suited to take leadership on that issue. Growth management and land-use issues overwhelmed all others as the top local issue. It was the top community issue listed by 29 percent of those responding to the survey (n=761). Transportation, education and economic development, all related to some extent to growth management, formed a second tier of concern. Each was chosen by 9 to 10 percent of survey respondents.

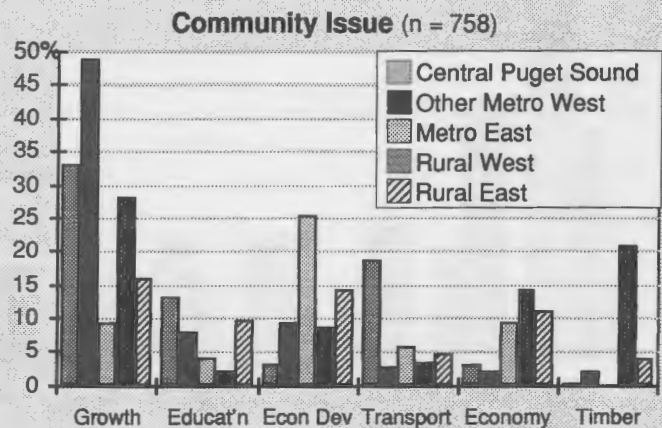
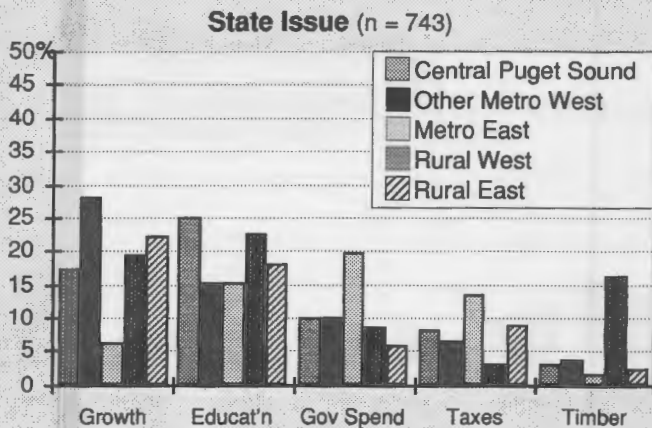
Again, there were differences from region to region in what was viewed as the top community issue (n = 758, see figure below). Transportation was identified as the top issue by 19 percent of those responding from the central Puget Sound

area; growth management was the top choice for 49 percent of those from metropolitan counties in western Washington like Whatcom, Thurston, Kitsap and Clark; timber issues topped the list for 21 percent of the respondents from rural western Washington; and economic development was the top issue for the largest percentage (25 percent) of those responding from metropolitan counties in eastern Washington.

The group identified as best suited to take the lead on the top issue depended to a great extent on the issue involved.

Growth Management Most Important in Metropolitan Western Washington

Percent of Respondents Identifying Top Issue by Region

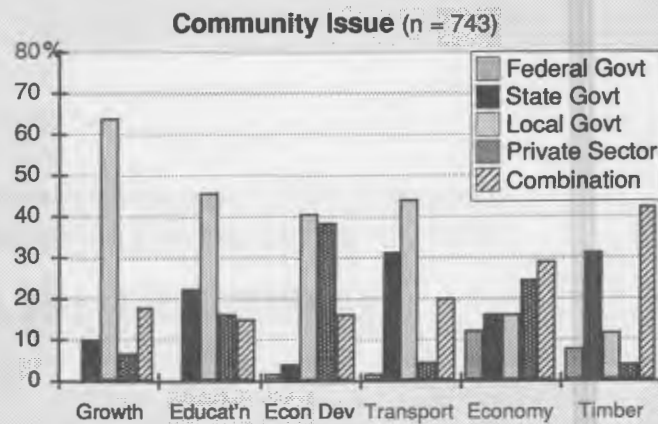
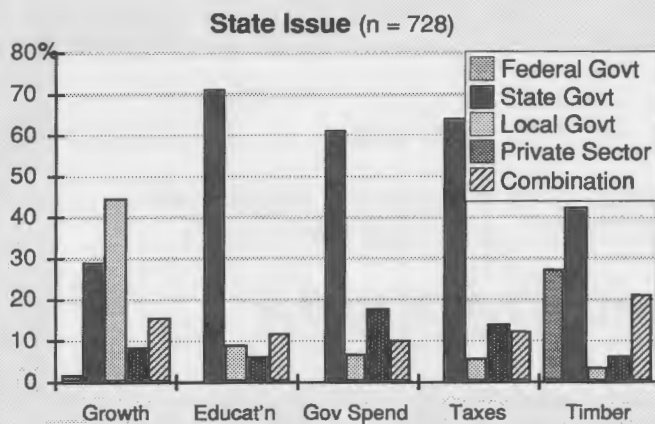


Note: Issues with less than 10 percent response are not shown.

Source: Washington Research Council Leadership Survey, 1991.

Local Government Should Take Leadership on Growth Management, Respondents Say

Percent of Respondents Identifying Who Should Take Leadership on Top Issue by Issue



Note: Issues with less than 10 percent response are not shown. Source: Washington Research Council Leadership Survey, 1991.

For example, growth management is best addressed by local government, according to 64 percent of survey respondents (n=743), while 18 percent identified a combination of leaders on this issue. Transportation leadership should come from local government according to 44 percent of those responding, followed by 31 percent of the responses for state government and 20 percent for a combination.

As a local issue, 46 percent of those responding saw leadership on education coming from local government, 22 percent from state government, 16 percent from business and 15 percent from

a combination. Finally, in the area of economic development, the group identified as best suited to take the lead role in addressing the issue was split between local government (41 percent) and the private sector (38 percent). Some combination of groups received 16 percent of the votes.

For the most part, the entity identified as best suited to take the lead on an issue corresponded to whether it was a state issue or a community issue. Local government was picked by nearly half of survey respondents (46 percent) as the best suited to take a lead role on community issues (n = 760). A combination

of leaders was identified by 19 percent. On the state issues, the percentages were 48 percent state and 14 percent a combination (n = 774).

The Research Council would like to express its appreciation to all of those who responded to the survey and to the associations that provided mailing lists: Association of Washington Business, Washington State Association of Counties, Association of Washington Cities, and Washington State School Directors' Association.

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Methodology

In early March, surveys were mailed to 3,104 business and government leaders across Washington. By mid-May 833 responses to the survey had been returned and tallied — a response rate of 27 percent. The characteristics of the people responding to the survey are summarized below:


- **Primary area of business:** manufacturing — 16 percent, non-manufacturing — 61 percent and government — 23 percent (n = 825).
- **Gross income or revenue** in most recent fiscal year: less than \$1 million — 30 percent, \$1 to \$10 million — 40 percent, \$10 to \$100 million — 23 percent, and more than \$100 million — 6 percent (n = 808).
- **Position of person responding:** Owner or manager — 46 percent and chief executive officer — 30 percent (n = 826).
- **Number of FTE employees:** less than 5 FTEs — 17 percent, 5 to 19 FTEs — 24 percent, 20 to 49 FTEs — 21 percent, 50 to 99 FTEs — 12 percent and 100 FTEs or more — 26 percent (n = 833).
- **Region of person responding:** central Puget Sound counties — 38 percent, other metropolitan counties in western Washington — 18 percent, metropolitan counties in Eastern Washington — 16 percent, rural counties in western Washington — 12 percent, and rural counties in eastern Washington — 16 percent (n = 828).

If you are interested in receiving additional information on the survey or have questions about the survey results, contact Barbara Cellarius, senior research analyst with the council, at 1-800-445-1086 (inside Washington) or 206-357-6643.

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Public Policy Brief Enclosed:

The enclosed policy brief reports on a Washington Research Council survey on expectations and top issues for Washington state and local communities in the state.